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FCOF 1-73
January 1973

WORLD COFFEE PRODUCTION LOWER

SUMMARY

A substantial reduction in the estimate for Brazil and smaller reductions for other countries more than offset increases for the Ivory Coast and others and the overall estimate for the 1972-73 coffee year is down about 1.5 million bags from the estimate last September. It is now estimated that total production will be approximately 71.5 million bags (132.276 lb. each) with about 52.1 million bags available for export. Exportable production, as considered in this report, represents total harvested production less domestic consumption in the producing countries.

Latest revisions now place the total 1971-72 harvest at about 71.8 million bags, of which approximately 53 million bags were exportable production.

Although total production is estimated to be only slightly less in 1972-73 than in the preceding year, exportable production is down somewhat more because of an estimated increase of about a half million bags in domestic consumption in the producing countries.

Production in both 1971-72 and 1972-73 is substantially above the levels of the preceding 5 years. Nevertheless, with world import demand during the current year estimated at between 53 and 54 million bags, it appears that further drawdowns of stocks will be required to fill the shortfall from current production.

Despite ample stocks in consuming countries, a record level of exports in 1971-72, and a market characterized by long periods of relative inactivity, prices of all four major types of coffee remained stable throughout the quarter.

PRODUCTION

North and Central America. Recent information from El Salvador indicates that the 1972-73 crop now

being harvested is virtually certain to establish a new record surpassing the very large 2.6 million bag output in 1971-72. The small decline for 1972-73 from the previous estimate, to 2.75 million bags, is based on the likelihood that heavy late season rains may have caused some losses. The large production gains of the past 2 years appear to be due to a widespread pruning program in 1969-70 and abundant use of fertilizers. Because of these successive record crops year-end stocks on September 30 were at a new high, despite exports of 2.2 million bags in 1971-72.

Estimates of coffee production in Haiti have been raised slightly for both 1971-72 and 1972-73, based on more complete data. After a few small crops, production seems to have returned to the levels of the early 1960's.

A review of exports and carryover stock levels in Nicaragua leads to the conclusion that production has been underestimated somewhat during the past few years. Accordingly, the estimates for 1970-71 and 1971-72 have been increased. One of the changing aspects of coffee production in this country has been the continued increase in output from the northcentral regions of Matagalpa and Jinotega. Production in the older Pacific area has shown less growth.

There have been minor, offsetting changes in the estimates for Costa Rica, with 1971-72 now estimated at 1.35 million bags, and 1972-73 down slightly to 1.33 million bags. Exports in 1971-72 amounted to about 1.2 million bags, the largest amount shipped since 1967-68.

Unfavorable weather conditions in Guatemala, noted in our last circular, had a less adverse effect than anticipated; accordingly, the 1972-73 crop estimate has been increased by 100,000 bags. The estimate for 1971-72 has also been increased, based on more recent data. Exports of 1.8 million bags in 1971-72 were the largest on record.

South America. Because of very prolonged and severe rains throughout the State of Parana in September and October, many qualified observers are of the opinion that the 1972-73 harvest in Brazil will not be up to earlier estimates. In view of the possibility that much of the current harvest will be suitable only for domestic consumption and that considerable quantities may have been totally ruined, FAS has reduced its 1972-73 estimate to 22 million bags. It is still rather early to forecast the size of the 1973-74 crop but reports based on flowerings indicate that total production might be on the order of 16 to 17 million bags. Exports of 19.5 million bags in 1971-72 further reduced stocks.

A further reduction has been made in the 1971-72 crop estimate for Colombia. Heavy and prolonged rains during the winter months occasioned some loss and the harvest is now estimated at 7.2 million bags. The estimate for 1972-73 remained unchanged at 8 million bags. As a result of lower production in 1971-72, carryover stocks were reduced by close to 1 million bags.

Africa. Latest available data indicate that coffee production in Africa in 1972-73 will be very close to 20 million bags. While this would be a new record for the continent it does not reflect much of an increase over the average production of the previous 4 years, which is 19.3 million bags.

The only significant change since our previous circular is in the estimate for the Ivory Coast, now put at 4.5 million bags for 1972-73.

Minor changes in the estimates for the Central African Republic, Guinea, Rwanda, Sierra Leone, Liberia, and Equatorial Guinea, are offsetting.

Asia and Oceania. Production in Asia and Oceania continues to trend upward, with estimated production of 5.5 million bags for 1972-73 reflecting an increase of about 25 percent over the average for 1963-1968.

The most rapid rate of growth has occurred in Papua and New Guinea which has increased production from an average of 150,000 bags during the period 1963-1968, to an estimated 500,000 bags for 1972-73. Almost all of the coffee produced on the island is high-grown Arabica, though the percentage of Robusta grown has increased slightly in recent years.

Both India and Indonesia have also shown a steady upward trend in coffee production over the past few years.

In India the Government's "Coffee Development Plan" launched in October 1956, has been instrumental in increasing the area under coffee from about 105,000 hectares in 1956 to 136,000 hectares in 1971. Average yields have also increased, from about 400

kilograms/hectare in 1956 to about 650 kilograms/hectare for the past 3 years.

OTHER DEVELOPMENTS

Prices. Despite a rather dull market, enlivened only occasionally by heightened buyer interest, prices for all four major types of coffee remained steady during the October-December quarter. In fact, they trended gradually upward reaching the following levels as of December 19, 1972: Colombian Milds, 63 cents; Other Milds, 55.50 cents; Unwashed Arabicas, 59 cents; and Robustas, 47.53 cents. The composite price on the same data was 55.29 cents. This price stability is particularly noteworthy in view of the record level of exports achieved in 1971-72.

Exports. Preliminary data released by the International Coffee Organization in late October indicates that coffee exports by exporting members to all destinations during coffee year 1971-72 reached the record level of 57.5 million bags. This was substantially more than the previous of 53.3 million bags shipped in 1967-68. By far the heaviest shipments came in the final quarter of the year (July-Sept) when 18.8 million bags were exported. An undetermined amount of this coffee represented shipments on consignment or to warehouses rather than actual sales.

INTERNATIONAL COFFEE AGREEMENT

The 62-member International Coffee Council held meetings in London, December 4-11, to consider quotas and price arrangements for the 9 months, January-September 1973. The Council meetings held in August established a quota for the 1972-73 coffee year (Oct.-Sept.) but specified that action would have to be taken to confirm or alter such quotas prior to December 10, 1972, if there were to be quotas for the last 9 months of the year. The December meeting ended with no agreement between producers and consumers. Therefore, following the conference there will be no quotas under the International Coffee Agreement for the first time in 9 years. The International Coffee Council will continue to issue export stamps up to the availability of coffee in member-producing countries in order to monitor trade.

Additionally, the Council adopted rules for issuing valid certificates of Origin, Transit and Re-Export, and which provided that these certificates are valid only if they bear coffee export stamps which correspond to the net weight of the green coffee or of the green coffee equivalent of the parcel covered by the Certificate. As the present International Coffee Agreement expires September 30, 1973, it is likely that renegotiation for a new agreement will start early in 1973.

COFFEE, GREEN: PRODUCTION IN SPECIFIED COUNTRIES, AVERAGE 1963-64/1967-68, ANNUAL 1968-69/1972-73 1/

REGION AND COUNTRY	AVERAGE 1963-64/1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/
NORTH AMERICA:						
COSTA RICA.....	1,103	1,260	1,400	1,250	1,350	1,335
CUBA.....	487	500	500	475	475	475
DOMINICAN REPUBLIC.....	624	540	640	700	700	700
EL SALVADOR.....	2,048	1,900	2,500	2,170	2,600	2,750
GUADALUPE.....	6	5	1	1	1	1
GUATEMALA.....	1,798	1,740	1,750	1,840	2,100	1,900
HAITI.....	524	480	465	550	575	525
HONDURAS.....	425	450	550	570	650	650
JAMAICA AND OEP.....	24	17	20	20	24	18
MARTINIQUE.....	4	4	1	1	1	1
MEXICO.....	2,811	2,850	3,075	3,200	3,400	3,500
NICARAGUA.....	504	540	565	650	675	600
PANAMA.....	79	75	83	75	93	85
TRINIDAD-TOBAGO.....	63	65	43	69	49	63
US-HAWAII.....	46	36	28	31	24	22
US-PUERTO RICO.....	259	280	170	240	150	200
TOTAL.....	10,805	10,742	11,791	11,842	12,867	12,825
SOUTH AMERICA:						
BOLIVIA.....	83	160	165	85	85	85
BRAZIL.....	23,780	16,500	19,000	9,750	23,600	22,000
COLOMBIA.....	7,920	7,900	8,450	7,800	7,200	8,000
ECUADOR 3/.....	908	1,000	660	1,300	1,100	900
GUYANA.....	14	20	18	11	10	12
PARAGUAY.....	52	65	50	33	58	53
PERU.....	857	860	940	990	1,030	1,030
SURINAM.....	9	7	6	3	3	3
VENEZUELA.....	789	860	900	900	950	1,100
TOTAL.....	34,413	27,372	30,189	20,872	34,036	33,183
AFRICA:						
ANGOLA.....	3,080	3,100	3,300	3,300	3,400	3,400
BURUNDI.....	241	275	240	350	400	325
CAMEROON.....	994	1,100	1,200	1,150	1,250	1,300
CAPE VERDE ISLANDS.....	2	2	2	1	1	1
CENT AFRICAN REP.....	169	160	200	160	175	200
COMORO ISLANDS.....	3	3	3	3	2	2
CONGO, BRAZZAVILLE.....	13	20	15	15	15	15
DAHOMEY.....	24	18	15	15	15	15
EQUATORIAL GUINEA.....	130	125	120	120	115	115
ETHIOPIA.....	1,655	2,045	2,000	2,100	2,150	2,200
GABON.....	17	20	20	15	15	18
GHANA.....	66	83	95	75	80	70
GUINEA.....	155	180	200	150	150	150
IVORY COAST.....	3,795	3,400	4,600	4,000	4,400	4,500
KENYA.....	772	800	900	1,000	1,000	900
LIBERIA.....	60	65	75	85	80	85
MALAGASY REPUBLIC.....	935	900	830	1,300	965	1,000
NIGERIA.....	37	53	50	90	65	80
RWANDA.....	168	200	145	260	250	225
SAO TOME-PRINCIPE.....	6	6	4	3	2	2
SIERRA LEONE.....	91	95	90	125	95	125
TANZANIA.....	707	950	775	950	850	800
TOGO.....	184	280	220	200	200	200
UGANDA.....	2,620	3,325	3,350	3,600	2,850	2,850
ZAIRE (CONGO,K).....	985	1,000	1,100	1,350	1,300	1,350
TOTAL.....	16,909	18,215	19,549	19,817	19,825	19,928
ASIA:						
INDIA.....	1,187	1,300	1,150	1,900	1,200	1,500
INDONESIA.....	1,980	2,000	2,200	2,350	2,250	2,400
MALAYSIA.....	124	135	63	60	63	65
PHILIPPINES.....	709	735	815	840	900	865
PORTUGUESE TIMOR.....	41	55	50	50	50	50
VIETNAM SOUTH.....	55	55	50	50	50	50
YEMEN.....	72	70	60	60	60	60
TOTAL.....	4,168	4,350	4,388	5,310	4,573	4,990
OCEANIA:						
NEW CALEDONIA.....	35	30	34	18	25	25
NEW GUINEA.....	150	355	408	460	480	500
NEW HEBRIDES.....	4	4	3	2	2	2
TOTAL.....	189	389	445	480	507	527
WORLD TOTAL.....	66,484	61,068	66,362	58,321	71,808	71,453

1/ Coffee marketing year begins about July in some countries and in others about October. 2/ Of 60 kilograms each. 3/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1971 in that country is shown as production for the 1971-72 marketing year. In Ecuador, however, this is referred to as the 1970-71 crop.

Note: Production estimates for some countries include cross-border movements.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

COFFEE, EXPORTABLE: PRODUCTION IN SPECIFIED COUNTRIES, AVERAGE 1963-64/1967-68, ANNUAL 1968-69/1972-73 1/

REGION AND COUNTRY	AVERAGE					
	1963-64/1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/	1,000 BAGS 2/
NORTH AMERICA:						
COSTA RICA.....	973	1,115	1,250	1,095	1,190	1,165
CUBA.....	---	---	---	---	---	---
DOMINICAN REPUBLIC.....	464	365	450	505	485	480
EL SALVADOR.....	1,919	1,755	2,350	2,015	2,440	2,585
GUADELOUPE.....	1	3/	3/	3/	3/	3/
GUATEMALA.....	1,582	1,505	1,510	1,590	1,845	1,640
HAITI.....	353	295	260	350	370	315
HONDURAS.....	341	350	445	460	525	520
JAMAICA AND DEP.....	11	4	5	1	2	---
MARTINIQUE.....	---	---	---	---	---	---
MEXICO.....	1,611	1,400	1,575	1,680	1,835	1,880
NICARAGUA.....	450	495	495	570	590	510
PANAMA.....	22	11	18	9	23	15
TRINIDAD-TOBAGO.....	52	51	33	53	27	41
US-HAWAII.....	12	26	---	---	---	---
US-PUERTO RICO.....	15	---	---	---	---	---
TOTAL.....	7,806	7,372	8,391	8,328	9,332	9,151
SOUTH AMERICA:						
BOLIVIA.....	31	55	55	65	65	65
BRAZIL.....	16,229	8,000	10,250	1,500	14,850	13,000
COLOMBIA.....	6,750	6,570	7,080	6,390	5,750	6,510
ECUADOR 4/.....	719	795	450	1,080	875	665
GUYANA.....	2	2	2	---	---	---
PARAGUAY.....	42	40	25	13	38	33
PERU.....	661	645	720	760	795	790
SURINAM.....	4	3	3	1	1	1
VENEZUELA.....	256	270	285	265	300	430
TOTAL.....	24,694	16,380	18,870	10,074	22,674	21,494
AFRICA:						
ANGOLA.....	3,023	3,040	3,200	3,200	3,300	3,300
BURUNDI.....	236	270	235	345	395	320
CAMEROON.....	965	1,070	1,170	1,125	1,220	1,270
CAPE VERDE ISLANDS.....	2	2	1	---	---	---
CENT AFRICAN REP.....	164	155	195	150	165	190
COMORO ISLANDS.....	1	1	1	1	1	1
CONGO, BRAZZAVILLE.....	17	19	14	14	14	14
OAHOMEY.....	20	16	13	14	14	14
EQUATORIAL GUINEA.....	120	115	110	115	110	110
ETHIOPIA.....	1,297	1,420	1,375	1,450	1,490	1,530
GABON.....	17	18	18	14	14	17
GHANA.....	55	70	81	62	67	57
GUINEA.....	140	175	190	145	145	145
IVORY COAST.....	3,743	3,350	4,535	3,950	4,325	4,425
KENYA.....	752	780	880	988	973	872
LIBERIA.....	58	63	70	80	75	80
MALAGASY REPUBLIC.....	832	785	710	1,175	835	865
NIGERIA.....	40	43	30	65	55	70
RWANDA.....	162	190	135	255	245	220
SAO TOME-PRINCIPE.....	5	3	2	1	1	1
SIERRA LEONE.....	81	85	85	120	90	120
TANZANIA.....	692	935	760	930	830	780
TOGO.....	179	275	217	197	197	197
UGANDA.....	2,606	3,320	3,335	2,985	2,830	2,830
ZAIRE (CONGO,K).....	935	950	1,025	1,150	1,200	1,235
TOTAL.....	16,142	17,150	18,387	18,531	18,591	18,663
ASIA:						
INDIA.....	519	560	410	1,150	435	725
INDONESIA.....	1,608	1,500	1,500	1,450	1,320	1,450
MALAYSIA.....	---	---	---	---	---	---
PHILIPPINES.....	---	---	---	22	65	5
PORTUGUESE TIMOR.....	36	50	45	40	40	40
VIETNAM SOUTH.....	3/	3/	3/	3/	3/	3/
YEMEN.....	65	60	50	50	50	50
TOTAL.....	2,228	2,170	2,005	2,712	1,910	2,270
OCEANIA:						
NEW CALEDONIA.....	30	20	19	8	15	15
NEW GUINEA.....	137	315	404	456	474	494
NEW HEBRIDES.....	4	3	2	1	1	1
TOTAL.....	171	338	425	465	490	510
WORLD TOTAL.....	51,041	43,410	48,078	40,110	52,997	52,088

1/ Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. 2/ Of 60 kilograms each. 3/ Negligible. 4/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1971 in that country is shown as production for the 1971-72 marketing year. In Ecuador, however, this is referred to as the 1970-71 crop.

Note: Production estimates for some countries include cross-border movements.

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COFFEE: EXPORT VALUE AS PERCENT OF TOTAL EXPORTS, 1967-71
(In percent)

Continent and country	1967	1968	1969	1970	1971
North America:					
Costa Rica.....	38.1	32.4	29.4	31.6	26.3
Dominican Republic.....	10.8	10.9	11.6	12.1	9.8
El Salvador.....	46.8	43.5	43.1	48.7	40.7
Guatemala.....	34.5	33.0	31.9	34.6	31.2
Haiti.....	37.2	38.9	44.0	31.5	52.3
Honduras.....	11.4	12.0	11.1	15.2	13.2
Mexico.....	4.7	6.3	5.3	6.0	4.6
Nicaragua.....	13.9	14.0	13.0	18.0	15.6
South America:					
Brazil.....	42.6	41.2	35.2	34.3	26.6
Colombia.....	63.2	62.9	62.4	66.0	57.1
Ecuador.....	19.9	17.8	17.0	24.3	16.4
Peru.....	3.9	4.1	3.6	4.2	4.3
Venezuela.....	0.5	0.3	0.5	0.6	0.6
Africa:					
Angola.....	51.9	45.3	34.5	31.9	N.A.
Cameroon.....	31.9	27.0	20.2	N.A.	25.4
Ethiopia.....	55.2	59.3	59.6	61.5	55.9
Ivory Coast.....	31.7	34.2	25.5	33.2	33.3
Kenya.....	29.3	22.2	26.6	31.1	26.7
Malagasy Republic.....	31.6	30.8	28.4	27.2	26.5
Tanzania.....	15.4	16.7	15.4	18.5	13.1
Uganda.....	53.5	54.6	55.8	58.3	58.7
Asia and Oceania:					
India.....	1.5	1.3	1.5	1.6	1.6
Indonesia.....	6.6	6.1	7.0	6.4	4.5

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GREEN COFFEE: EXPORTS FROM SPECIFIED COUNTRIES, BY COUNTRY OF DESTINATION, CALENDAR YEAR 1971

(In bags) 1/

Country of destination	Angola	Brazil	Colombia	Guatemala	Ivory Coast	Mexico
Europe:						
Austria	---	92,368	234	1,900	---	---
Belgium-Luxembourg	12,200	315,048	148,110	51,333	3,500	10,270
Bulgaria	---	---	1,333	---	---	---
Czechoslovakia	---	135,598	14,194	---	---	---
Denmark	21,783	635,735	79,746	5,433	---	2,345
Finland	633	144,680	172,569	85,966	---	67
France	17,717	580,945	101,085	10,950	1,249,933	11,023
Germany, East	---	252,073	99,359	---	---	---
Germany, West	16,567	759,953	1,375,891	358,050	182,867	63,889
Greece	---	46,465	2,332	---	---	---
Hungary	---	50,241	11,666	---	121,933	---
Iceland	---	24,594	---	---	---	---
Italy	1,017	2,646,741	50,376	13,633	29,817	706
Netherlands	418,367	678,022	448,666	128,300	14,933	12,703
Norway	5,183	322,335	56,356	15,183	133	1,167
Poland	66,850	110,558	72,081	5,300	16,800	---
Portugal	322,683	---	---	---	---	---
Rumania	---	16,666	---	---	---	---
Spain	145,700	395,361	254,488	42,783	---	78,110
Sweden	5,400	953,287	326,788	57,700	---	---
Switzerland	20,900	98,457	26,454	15,883	---	90,764
United Kingdom	14,683	351,842	42,066	18,066	80,350	5,404
USSR	---	218,740	99,995	---	---	---
Yugoslavia	---	349,271	55,000	---	---	16,909
Others	---	87,143	---	116	---	---
Total	1,069,683	9,266,123	3,438,789	810,596	1,700,266	293,357
North America:						
Canada	167,583	354,386	107,590	26,733	---	21,888
United States	1,588,550	5,847,650	2,864,584	801,450	1,088,617	1,203,531
Others	---	---	78	---	4,500	---
Total	1,756,133	6,202,036	2,972,252	828,183	1,093,117	1,225,419
South America	---	702,322	73,927	---	---	---
Africa	168,067	434,251	1,923	3,350	24,350	---
Asia and Oceania	23,500	633,035	82,417	25,281	229,400	406
Not specified	---	---	---	---	32,417	---
Grand total	3,017,383	17,237,767	6,569,308	1,667,410	3,079,550	1,519,182

1/ Bags of 60 kilograms or 132.276 pounds.

Compiled from official statistics of specified countries.

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